

APR 22 2019

Electricity Delivery and  
Energy Reliability  
UNITED STATES OF AMERICA  
Before The  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRIC DELIVERY AND ENERGY RELIABILITY

Northland Power Energy Marketing (US) Inc. )

Docket No. EA-473-000

**APPLICATION OF NORTHLAND POWER ENERGY MARKETING (US) INC. FOR  
AUTHORITY TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. § 824 a(e) and the regulations contained in 10 C.F.R. §§ 205.300, et seq., Northland Power Energy Marketing (US) Inc. ("NPEMUS" or "Applicant") hereby submits this application to the Department of Energy, Office of Electricity Delivery and Energy Reliability ("Department") for, and respectfully requests, blanket authorization to transmit and export electricity from the United States to Canada ("Application") for a period of five years, or the maximum period allowed by the Department. NPEMUS further respectfully requests that this Application be made effective as soon as the Department will permit.

**I. DESCRIPTION OF APPLICANT**

The legal name of the applicant is Northland Power Energy Marketing (US) Inc. NPEMUS is a corporation that is incorporated under Ontario provincial law. The sole shareholder of NPEMUS is NP Energy Services Holdings Inc., an Ontario corporation. The sole shareholder of this holding company is Northland Power Inc. ("Northland Power"). Northland Power is a Canadian independent power producer founded in 1987, and publicly traded on the Toronto stock exchange since 1997. Northland Power's chairman and CEO James C. Temerty, C.M. owns and controls (including through personal wealth management vehicles) approximately 15 percent of the voting interests in Northland Power, and no other person or "company" (as that term is defined

under the FPA) owns, holds, or controls ten percent or more of the voting or equivalent interests in Northland Power nor in the Applicant.

Northland Power develops, builds, owns and operates facilities that produce ‘clean’ (natural gas) and ‘green’ (wind, solar, and hydro) energy. As of September 30, 2018, Northland Power owns or has a net economic interest of 2,014 MW in power-producing facilities with a total operating capacity of approximately 2,429 MW, none of which are located or interconnected within the United States. Northland Power owns a number of generating facilities in Canada, all within the provinces of Ontario, Quebec, or Saskatchewan.

Northland’s operating facilities produce electricity from renewable resources and natural gas for sale primarily under long-term power purchase agreements or other revenue arrangements. Apart from Northland Power’s interests in Applicant, Northland Power is not presently engaged in the generation, transmission, or distribution of electric power in the United States, and neither owns nor operates physical generation, transmission, or distribution facilities within the United States.

NPEMUS anticipates engaging in the purchase of electric energy in the United States wholesale energy markets from third parties for export into Canada. Applicant does not own or control electric generation, transmission, or distribution facilities in the United States and does not hold a franchise or service territory or native load obligation within the United States or Canada. Applicant has received market-based rate authorization,<sup>1</sup> authorizing the Applicants sale at wholesale of electric capacity, energy, and certain ancillary services from the Federal Energy Regulatory Commission (“FERC”) in FERC Docket No. ER19-1069-000. The Applicant’s authorization is effective as of April 20, 2019.

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<sup>1</sup> See generally, 18 C.F.R. Part 35 Subpart H.

## II. COMMUNICATIONS

Communications and correspondence concerning this filing should be addressed to:

Michael Shadbolt c/o Northland Power Inc. 30 St. Clair Avenue West 12th Floor Toronto, Ontario, Canada M4V 3A1 <a href="mailto:legal@northlandpower.com">legal@northlandpower.com</a>	Mark C. Williams Heather L. Feingold Morgan, Lewis & Bockius LLP 1111 Pennsylvania Avenue NW Washington DC 20004 202 739 5327 <a href="mailto:mark.williams@morganlewis.com">mark.williams@morganlewis.com</a> <a href="mailto:heather.feingold@morganlewis.com">heather.feingold@morganlewis.com</a>
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## III. JURISDICTION

Under Section 202(e) of the FPA and the Department's regulations, 10 C.F.R. §§ 205.300, *et. seq.*, the Department has jurisdiction over the action proposed in this Application. Applicant believes that no other known federal, state or local government has jurisdiction over the actions to be taken under the authority described in this Application.

## IV. DESCRIPTION OF TRANSMISSION FACILITIES

Applicant requests authority to export electricity over any international transmission facility authorized by Presidential Permit that is appropriate for open access by third parties in accordance with export limits assessed and authorized by the Department. In particular, Applicant requests authority to export power over any facility determined by DOE to be appropriate for third-party-use.

## V. TECHNICAL DISCUSSION OF PROPOSAL

Section 202(e) of the FPA and the Department's regulations promulgated thereunder provide that exports of electric energy should be authorized unless the proposed export would impair the sufficiency of electric power supply within the United States or would



impede or tend to impede the coordinated use (from an operational reliability and security perspective) of the United States electric transmission system.<sup>2</sup>

Applicant is a power marketer that does not own or control electric generation, transmission, or distribution facilities in the United States, nor is it affiliated with any owner of electric generation, transmission, or distribution facilities in the United States. The Applicant does not own, manage, or control any physical transmission or power supply system, within or entering into the United States, nor does the Applicant have any franchised service territory nor any obligation to serve native load within any franchised service territory. Any future contractual arrangements with regulated U.S. transmitting utilities could not and will not have any reliability, fuel use, or system stability impact (the Applicant has no such U.S. agreements or arrangements in force at present). Applicant will purchase the power it plans to export voluntarily from electric utilities, wholesale generators, power marketers and other parties and thus such power will be surplus to the needs of the selling parties. Applicant's export of power will not impair or tend to impede the sufficiency of electric power supplies in the United States or the regional coordination of electric utility planning or operation.

All of the electricity exported by Applicant will be transmitted pursuant to arrangements with utilities that own or operate existing transmission facilities and will be consistent with the export limitations and other terms and conditions contained in the existing Presidential Permits and electricity export authorizations associated with those facilities. Applicant will comply with the terms and conditions contained in the authorizations issued for these cross-border facilities as well as any other export limitation that DOE may deem appropriate, consistent with DOE's orders authorizing exports of

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<sup>2</sup> 16 U.S.C. § 824a(e).

electric energy by power marketers. Applicant will schedule each transaction with the appropriate balancing authority in compliance with applicable reliability standards and requirements of the North American Electric Reliability Corporation.

In prior Department orders granting export authorization to electric power marketers, the Department declined to rigidly apply the information filing requirements contained in its regulations and instead used a flexible approach which takes into consideration the unique nature of power marketers, the requirements of FERC Order No. 888 and previously authorized export limits of cross-border facilities.<sup>3</sup> The Department has relied on the technical analyses available for existing international transmission facilities when considering applications from power marketers seeking use of those facilities.

Applicant requests that the Department apply this standard to its Application. Applicant has not previously exported electric power from the United States. The electric power NPEMUS plans to export will be surplus energy purchased in wholesale markets. As stated above, applicant will schedule each transaction with the appropriate balancing authority in compliance with applicable reliability standards and requirements of the North American Electric Reliability Corporation.

These same considerations demonstrate that the exports proposed by Applicant will not impair or tend to impede the sufficiency of electric supplies in the U.S. or the regional coordination of electric utility planning or operations.

## **VI. COMPLIANCE WITH LAWS AND CONDITIONS**

Applicant will conduct its operations in compliance with any authorization conditions imposed by the Department consistent with its prior orders authorizing power marketers

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<sup>3</sup> See, e.g., Morgan Stanley Capital Power Grp. Inc. Order No. EA-185-A-CN (Aug. 14, 2000); Saracen Energy Partners, LP, Order No. EA-340 (June 18, 2008).

blanket authority to export power and in accordance with the provisions of the FPA and applicable rules, regulations and orders adopted or issued thereunder. When scheduling the delivery of power, Applicant also will comply with the applicable reliability criteria, standards and guidelines of NERC, reliability coordinators and balancing authority area operators, including any applicable regional transmission organizations or independent system operators. For each calendar year, Applicant will provide the Department a report covering each month of the preceding calendar year detailing the gross amount of kilowatt-hours of energy, by authorized category, received or delivered, and the cost and revenue associated with each category, as well as any additional annual reports.

Applicant respectfully submits that the Application qualifies for a categorical exclusion under the National Environmental Policy Act of 1969 such that neither an Environmental Agreement nor an Environmental Impact Statement is required because the exports of power proposed by Applicant will occur over existing transmission lines.

## **VII. VERIFICATION, REQUIRED COPIES AND FEE**

The verification executed by Applicant's authorized representative in accordance with 10 C.F.R. § 205.302(h) is enclosed with this Application. In accordance with the requirements of 10 C.F.R. § 205.307 and the Department's directives, two copies of the Application are being provided.

Pursuant to 10 C.F.R. § 205.309, a copy of this Application will be provided to the Secretary of the Federal Energy Regulatory Commission. 10 C.F.R. § 205.309 requires that a copy of this application be served on all affected state public utility regulatory agencies. Since NPEMUS does not engage in state-jurisdictional retail power sales activities, there are no such agencies to serve.

A check in the amount of \$500.00 made payable to the Treasurer of the United States is enclosed in payment of the fee set forth in 10 C.F.R. § 205.309.



## IX. EXHIBITS

The following exhibits identified in DOE's regulations are attached hereto as follows:

*§205.303 Required exhibits. There shall be filed with the application and as a part thereof the following exhibits:*

*(a) Exhibit A. A copy of the agreement or proposed agreement under which the electricity is to be transmitted including a listing of the terms and conditions. If this agreement contains proprietary information that should not be released to the general public, the applicant must identify such data and include a statement explaining why proprietary treatment is appropriate.*

RESPONSE: NPEMUS has not yet entered into any electric transmission agreements, but any such agreements to which NPEMUS becomes a party will be subject to any applicable FERC and related electric reliability regulations.

*(b) Exhibit B. A showing, including a signed opinion of counsel, that the proposed export of electricity is within the corporate power of the applicant, and that the applicant has complied or will comply with all pertinent Federal and State laws.*

RESPONSE: Please see attached.

*(c) Exhibit C. A general map showing the applicant's overall electric system and a detailed map highlighting the location of the facilities or the proposed facilities to be used for the generation and transmission of the electric energy to be exported. The detailed map shall identify the location of the proposed border crossing point(s) or power transfer point(s) by Presidential Permit number whenever possible.*

RESPONSE: NPEMUS does not in this application propose to erect, construct, or acquire electric generation or transmission facilities. Instead, Northland will make use, pursuant to agreement, of one or more facilities that is separately subject to Presidential Permit authorization. A list of those facilities is attached as Exhibit C. The Applicant requests that it be authorized to conduct the export of electricity over any "authorized international transmission facility" from the U.S. to Canada, including both large transmission lines and smaller distribution lines that have received a Presidential permit; the Applicant notes, out of an abundance of caution, that the Exhibit C listing enumerates only large transmission lines.

*(d) Exhibit D. If an applicant resides or has its principal office outside the United States, such applicant shall designate, by irrevocable power of attorney, an agent residing within the United States. A verified copy of such power of attorney shall be furnished with the application.*

RESPONSE: Please see attached.

*(e) Exhibit E. A statement of any corporate relationship or existing contract between the applicant and any other person, corporation, or foreign government, which in any way relates to the control or fixing of rates for the purchase, sale or transmission of electric energy.*

RESPONSE: Not applicable; there is no such corporate relationship or contract.



*(f) Exhibit F. An explanation of the methodology (Operating Procedures) to inform neighboring electric utilities in the United States of the available capacity and energy which may be in excess of the applicant's requirements before delivery of such capacity to the foreign purchaser. Approved firm export, diversity exchange and emergency exports are exempted from this requirement. Those materials required by this section which have been filed previously with the ERA may be incorporated by reference.*

RESPONSE: The applicant has no such methodology to report and has no generation-excess to disclose. Not applicable.

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|---|-------------------------|
| • Exhibit A — Transmission Agreements                         | Not applicable          |
| • Exhibit B — Legal Opinion of Counsel                        | Attached                |
| • Exhibit C — Transmission Facilities                         | Public Listing Attached |
| • Exhibit D — Designation of Agent                            | Attached                |
| • Exhibit E — Statement of Corporate Relationship or Contract | Not applicable          |
| • Exhibit F — Operating Procedures                            | Not applicable          |

To the extent necessary, Applicant requests a waiver of the requirement to provide the exhibits that are not applicable to its application, as noted.

## **X. CONCLUSION**

In consideration of the foregoing, Northland Power Energy Marketing (US) Inc. requests that this Application be expeditiously considered and approved for a term of five years, effective from the date of its issuance.

April 17, 2019

Respectfully submitted,

/s/

Mark C. Williams  
Heather L. Feingold  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue NW  
Washington DC 20004  
202 739 5327  
mark.williams@morganlewis.com  
heather.feingold@morganlewis.com

## VERIFICATION


I, John Windsor, being authorized to execute this verification and having knowledge of the matters set forth in the Application of Northland Power Energy Marketing (US) Inc. (including the exhibits attached to the Application) hereby verify that the contents are true and correct to the best of my knowledge, information and belief.

By: , Northland Power Energy Marketing (US) Inc.

ADDRESS: 30 St. Clair Avenue West 12th Floor, Toronto, Ontario, Canada M4V 3A1

SUBSCRIBED AND SWORN BEFORE ME, this 16 day of April, 2019.

Name of Notary Public: Tracy Denise Chin Robillard

Signature: 

Commission Expires: **DOES NOT EXPIRE**



**EXHIBIT B**  
**Opinion of Legal Counsel**

LEGAL OPINION

The following opinion is given in support of, and is effective as of the date of, the Application of Northland Power Energy Marketing (US) Inc. for Authorization to Transmit Electric Energy to Canada, dated April 17, 2019, which the undersigned attorney has reviewed, as to which the undersigned attorney relies without investigation to the extent of the factual representations set forth therein.

1. I am an attorney at law, authorized to practice law in the District of Columbia;
2. I am counsel to Northland Power Energy Marketing (US) Inc. in this matter;
3. Northland Power Energy Marketing (US) Inc. is duly incorporated, validly existing and in good standing under the laws of Canada;
4. The export of electricity contemplated by this Application of Northland Power Energy Marketing (US) Inc. for authority to transmit electric energy to Canada is within the corporate powers of Northland Power Energy Marketing (US) Inc., and
5. Northland Power Energy Marketing (US) Inc. intends to comply with all pertinent Federal and State laws.

Respectfully submitted,



Mark C. Williams  
Attorney for Northland Power Energy  
Marketing (US) Inc.



**Exhibit C**  
**Transmission Facilities**

**International Transmission Facilities**  
**(Including Facilities Being Placed in Service)<sup>4</sup>**  
**At the U.S. – Canada**  
**Authorized for Use by Third-Party Transmitters**

<b>Present Owner</b>	<b>Location</b>	<b>Voltage</b>	<b>Presidential Permit No</b>
Bangor Hydro Electric Company	Baileyville, ME	345-kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administration	Blaine, WA Nelway, WA Nelway, WA	2-500-kV 230-kV 230-kV	PP-10 PP-36 PP-46
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	Detroit, MI Marysville, MI St. Claire, MI St. Claire, MI	230-kV 230-kV 230-kV 345-kV	PP-230 PP-230 PP-230 PP-230
ITC Lake Erie Connector	Erie County, PA	320-kV	PP-412
Joint Owners of the Highgate Project	Highgate, VT	120-kV	PP-82
Long Sault, Inc	Massena, NY	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME Fort Fairfield, ME Madawaska, ME Aroostook, ME	69-kV 69-kV 138-kV 2-69-kV	PP-12 PP-12 PP-29 PP-29
Minnesota Power Inc.	International Falls, MN	115-kV	PP-78
Minnesota Power Inc.	Roseau County, MN	500-kV	PP-398
Minnkota Power Cooperative	Roseau County, MN	230-kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230-kV	PP-305

<sup>4</sup> The Applicant advises the Department that this enumeration of facilities is consistent with the Department's order in OE Docket No. EA-463, Boston Energy Trading and Marketing LLC (issued December 19, 2018), noting that, at the time of that order, the facilities that were permitted in PP-299, PP-398, and PP-412 had not yet been placed in service.

<b>Present Owner</b>	<b>Location</b>	<b>Voltage</b>	<b>Presidential Permit No</b>
New York Power Authority	Massena, NY Massena, NY Niagara Falls, NY Devil's Hole, NY	765-kV 2-230-kV 2-345-kV 230-kV	PP-56 PP-25 PP-74 PP-30
Niagara Mohawk Power Corp.	Devil's Hole, NY	230-kV	PP-190
Northern States Power Company	Red River, ND Roseau County, MN Rugby, ND	230-kV 500-kV 230-kV	PP-45 PP-63 PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	±450-kV DC	PP-299
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450-kV DC	PP-76

## **EXHIBIT D**

### **Irrevocable Limited Power of Attorney**

This IRREVOCABLE LIMITED POWER OF ATTORNEY is made April \_\_, 2019 by Northland Power Energy Marketing (US) Inc. (the "Principal"), a corporation that is incorporated under Ontario provincial law.

1. Appointment. The Principal does hereby appoint Mark C. Williams, who is legal counsel to the Principal and whose address is c/o Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue NW, Washington DC 20004, [mark.williams@morganlewis.com](mailto:mark.williams@morganlewis.com), as the Principal's true and lawful agent and attorney-in-fact ("Attorney-in-Fact") solely and exclusively for the limited purpose hereinafter set out.
2. Scope of Authority. The Attorney-in-Fact shall have the limited power and authority to receive the initial license and any associated notice from the United States Department of Energy for the benefit of Principal to permit Principal to transmit electric energy to Canada pursuant to 10 C.F.R. § 205.300 et seq.
3. Irrevocability by the Principal. The Power of Attorney is irrevocable by the Principal, subject only to the Principal's right to re-designate, or substitute the Attorney-in-Fact upon 30 days prior notice to the Department of Energy and Attorney-in-Fact. The Attorney-in-Fact may withdraw as Attorney-in-Fact at any time, and shall be replaced by the Principal upon all required notice to the Department of Energy and Attorney-in-Fact.

IN WITNESS WHEREOF, the Principal has caused this Power of Attorney to be duly executed on this 16<sup>th</sup> day of April, 2019.



Northland Power Energy Marketing (US) Inc.

By: 

Name: John Windsor

Title: CEO

This instrument was acknowledged before me on the 10 day of April, 2019.

  
Tracy Denise Chin Robillard  
Notary Public for and in the Province of Ontario

